

1947 LOSS ADJUSTMENT MANUAL FOR COTTON

SECTION I. ORGANIZATION

A. General

1. The importance of the loss adjustment phase of the crop insurance program cannot be over-emphasized. This contact with the insured enables the Corporation to demonstrate how the program works as a means of protection against unavoidable crop failure. All factors entering into the establishment of the extent of loss shall be carefully and impartially considered and all decisions made shall be consistent with the provisions of the contract and these instructions.
2. All persons connected with the loss adjustment work shall refrain from making any statement to the insured or his agent either admitting or denying the liability of the Corporation for any claim made by the insured.

B. State Crop Insurance Director

1. The Director is responsible for the supervision and coordination of the adjustment of losses within his area. Where necessary, he shall appoint District Supervisors and authorize the appointment of Adjusters by them. He shall assist with adjustments as conditions require. He shall be certain that persons engaged in loss adjustment are adequately trained and are thoroughly familiar with the provisions of the contract and these instructions. He shall arrange for spot checking as provided in special instructions.
2. The Director, through the appropriate state office channel, shall furnish each county committee with the names and addresses of his representatives to whom notices of damage or probable loss are to be forwarded.

C. District Supervisor

1. The Supervisor shall be in charge of the adjustment of losses within his district. He shall make inspections and adjust losses, where necessary, as assigned by the Director. He shall submit progress reports to the Director as required. If problems arise which he cannot handle, they should be called promptly to the Director's attention.
2. When authorized by the Director and as conditions require, the Supervisor shall select and appoint Adjusters in order to handle the work promptly and efficiently. He shall adequately instruct and train each Adjuster and shall assist in making the first few inspections and adjustments. The qualifications of an Adjuster are:
 - a. He must be a person who would not use the adjustment work to promote any other line of business;

- b. He must be known for his ability in exercising good judgment and in making accurate appraisals;
- c. He must be known for his integrity, must have a reputation for fair dealing and honesty, and must have the respect of farmers living within his area;
- d. He must be thoroughly familiar with all phases of production and marketing of cotton and must be able to understand business papers and accounts.

D. Adjusters

1. Adjusters shall be under the immediate supervision of, and directly responsible to, the Supervisor. Any problem which the Adjuster cannot handle shall be discussed promptly with the Supervisor. Prompt handling of all loss work is very important. The Adjuster shall:
 - a. Be thoroughly familiar with the provisions of the contract, which includes the Regulations, the Acreage Report and the Acreage Report Procedure, and with these instructions;
 - b. Make inspections where necessary, together with applicable appraisals and reports;
 - c. Assist the insured in the preparation of Statements in Proof of Loss when requested;
 - d. Answer questions raised by the insured and attempt to clear up any misunderstandings in connection with the contract;
 - e. Make recommendations to the Supervisor concerning improvement in the program.
2. The Adjuster should prepare from county office records a list or map showing the names and locations of insured producers in his territory, thus enabling him to observe the condition of insured crops when he travels in the area for other reasons.
3. When an inspection is necessary, the Adjuster shall make the inspection as soon as possible after receipt of Form FCI-3-Rev., "Notice to Corporation of Damage or Probable Loss," (herein called "Form 8"). In certain cases it will be necessary for the Adjuster to review county office records before making the inspection. He may inspect aerial photographs or other available data in the county office, and if measuring equipment or records are taken out by him, they should be charged to him until returned.

4. An adjuster shall not make an inspection or adjust a loss involving an insured crop in which he has either a financial or family relationship interest. To protect the interests of the Corporation, the Director may find it advisable to limit the activities of an Adjuster in connection with certain other cases.

E. County Committee

1. The county committee is responsible for transmitting notices of damage or probable loss to the Director. The insured is to notify the county committee of damage to, or probable loss of, his insured crop. For the protection of the insured, such notice should be given in writing although any manner or form of notice acceptable to the county committee will be accepted by the Corporation. Upon receipt of each such notice from an insured, the county committee should prepare Form 8 as provided below and should advise the insured that:

- a. No insured cotton acreage should be put to another use without the written consent of an Adjuster, unless the cotton has matured and all production from such acreage has been harvested. Also, if upon completion of harvest a loss has occurred, the cotton stalks must be left intact until the insurance unit has been inspected and the acreage of cotton is determined by the Adjuster.
- b. They will notify the State Crop Insurance Director (any any other Corporation representative to be notified) of the report of damage or probable loss.
- c. Where the cotton is harvested from the insurance unit and a loss occurs, all production records, including gin tickets and also sales records and warehouse receipts of lint and seed cotton, must be available for the Adjuster.

2. A separate Form 8 shall be prepared for each insurance unit on which damage or probable loss is reported. It shall be prepared as follows:

- a. Heading

Enter in the spaces provided the name of the crop, the correct name and address of the insured, the state and county code and contract number, the name of the county, the complete farm serial number which identifies the insurance unit, and the contract numbers of other contracts covering the same crop on the farm.

- b. Data for Numbered Items

Item 1: Enter the name by which the farm is commonly known, and either the location (including the number of miles and the direction of the farm from some well-known landmark) or the legal description of the farm. In addition, enter a notation indicating where the insured may be located, which should include a telephone number where possible.

Item 2: Enter the reported acreage on the insurance unit as shown on the Acreage Report. If more than one line is required on the Acreage Report to report the acreage on the insurance unit (either because the insured has different shares in parts of the acreage on the insurance unit or because different coverage groups or premium rates are established for parts of the acreage, or for any other reason) enter each of these acreages separately. If the Acreage Report has not been filed, enter a notation to this effect.

Item 3: For each acreage shown in item 2 of Form 8, enter the applicable coverage. This will be the level of insurance, the coverage group, and a notation indicating whether cottonseed production is insured (Example: B - 14 - Yes).

Item 4: Enter the reported share of the insured in the crop as shown on the Acreage Report for each acreage shown in item 2 of Form 8.

Item 5: Enter the date upon which the notice of damage or probable loss is received in the county office.

Item 6: Enter (a) the reported cause(s) of damage to the crop and a description of the result of such damage, including the current condition of the crop, (i.e., whether water is still standing, whether land is crusted, thus snapping plants; whether the cotton came up; etc.), and (b) the date of damage and a notation indicating the stage of production during which the damage occurred. If parts of the acreage damaged were in different stages of production, enter and identify the approximate acreage in each such stage.

Item 7: This item is self-explanatory. In addition, where production has been harvested and notice is given in person and in other cases where the quantity of production is available, enter the number of pounds of lint cotton harvested.

Item 8: This item is self-explanatory.

Item 9: (a) The person receiving the notice shall initial Form 8. The form shall be signed and dated for the county committee. (b) The insured shall be requested to sign Form 8 in every case where the notice is given in person. Otherwise, a notation shall be entered in this space indicating how the notice was received; i.e., by telephone (followed by the date of the telephone call) by letter (followed by the date of the letter), by some other person (enter the name of the person giving the notice and the date of the notice.)

Items 10 and 11: These items are self-explanatory.

Item 12: In any case where different coverage groups or different premium rates are applicable to parts of an insurance unit or where a part of the farm involved is designated on the listing sheet as non-insurable, a notation to this effect shall be entered in item 12. Any other remarks deemed advisable by the county committee should be entered.

c. Distribution

Copies of Form 8 shall be distributed as provided in Section VI hereof.

3. The county committee shall arrange for Adjusters to have free access to crop insurance records and related records in the county office. They shall also arrange for county office personnel to perform planimetry and computation of acreages in connection with loss adjustment work when so requested by the Adjuster.

SECTION II. INSPECTIONS AND INSPECTION REPORT

A. Inspections

1. An inspection shall be made:

- a. When a request for a release of acreage is received;
- b. Where a loss is claimed or where it is determined that the insured is eligible for an indemnity; or
- c. In any case where the Corporation determines that an inspection is necessary.

Every time an inspection is made, Form FCI-763-C, "Inspection Report for Cotton," (herein called "Form 763-C") shall be prepared as provided in subsection B, below.

2. When a Form 8 does not include a request for a release of acreage and the person taking action on the case determines that an inspection is not necessary, he shall advise the insured in writing (on a form designed by the Director for this purpose) that:
 - a. The notice was received and an inspection is not deemed necessary at that time, including the reason therefor;
 - b. Any later material damage to, or probable loss of, the crop should be reported promptly to the county committee;
 - c. If upon completion of harvest a loss has occurred, the insured should submit another notice to the county committee and the cotton stalks must be left intact until the insurance unit has been inspected and the acreage of cotton is determined by the Adjuster.

This notice to the insured shall be prepared in triplicate and shall include the name and address of the insured, the contract number, and the farm serial number. The original of this notice shall be mailed to the insured, a copy forwarded to the Director, and a copy filed in the insured's folder.

3. Where a Form 8 includes a request for a release of acreage or where the person taking action on the case determines that an inspection is otherwise necessary, the inspection shall be made promptly. If "Yes" has been entered in item 11 of Form 8, or if item 12 indicates that different coverage groups or premium rates are applicable to parts of the insurance unit, or that a part of the farm is designated on the listing sheet as non-insurable, and in any other case where the Adjuster feels it necessary, he shall contact the county office before making the inspection. In such cases the Adjuster shall:
 - a. Thoroughly familiarize himself with all crop insurance material, including correspondence, in the insured's folder which relates to the 1947 crop year in order that he will be able to answer any questions pertaining thereto and in order that he may handle any problem which arises in connection with the inspection;
 - b. Obtain records or data for the insurance unit which would be helpful to him, such as a sketch of the farm or copies of Forms 763-C already prepared;
 - c. From information available in the county office, prepare the heading of Form 763-C for each insurance unit (or part thereof) involved, as provided in paragraph B-3-a, below.
4. If Form 8 shows or the Adjuster finds that the insured has not filed an Acreage Report, the Adjuster shall obtain the Acreage Report and submit it to the county committee.
5. It is essential that the Adjuster clearly understand what constitutes an "insurance unit". An "insurance unit" is all of the acreage on a farm (as shown on the listing sheet) in which the insured has an interest as a cotton producer at the time of planting, except that (i) where widely separated parts of such land are so designed on the listing sheet, such portions of the land shall constitute separate insurance units, and (ii) any irrigable land on the farm to which irrigation water can be delivered from existing irrigation facilities and any other contiguous small tracts shall constitute one insurance unit and the remainder shall constitute another insurance unit if so designated on the listing sheet. Any part of such land which is designated on the listing sheet as "non-insurable" shall not constitute an insurance unit or any part thereof. Before making an inspection, the Adjuster must determine what constitutes the insurance unit.

B. Inspection Report

1. Form 763-C shall be prepared for each insurance unit at the time of each inspection. In addition, where different coverage groups or different premium rates are applicable to parts of an insurance unit, a separate Form 763-C shall be prepared and properly identified for each such part.
2. Where acreage is released, the stage of production (and the amount of insurance) is established accordingly for such acreage. Where the insured carries released acreage to harvest, the stage of production established for such acreage at the time of release cannot be changed to a later stage of production unless the Corporation determines, on the basis of actual production, that the acreage was not actually substantially destroyed, as defined in the Regulations. In cases where this determination is made by an Adjuster, an explanation thereof, including the production for such acreage and other pertinent facts, shall be recorded on the Form 763-C being prepared at the time. If it is found that an error was made on the Form 763-C previously prepared, the correct information, a full explanation thereof, and other pertinent facts shall be recorded on a new Form 763-C which shall be labeled, "corrected" in the heading thereof. In either of these types of cases the county office copy of the Form 763-C previously prepared shall be marked "void" by the Adjuster and left in the insured's folder.
3. Form 763-C shall be prepared as follows:
 - a. Heading: In the spaces provided:
 - (1) Enter the correct name and address of the insured which should agree with that shown on Form 8. If there is any discrepancy, it shall be explained in Part III.
 - (2) Enter the state and county code and contract number.
 - (3) Enter the complete farm serial number and any tract identification shown on the listing sheet which identifies the insurance unit (or part thereof). Include the identifying symbols WSP(a) or WSP(b), WVT(a) or WVT(b), I or NI, etc., when such symbols are shown on the listing sheet for the acreage involved.

b. Part I

Data for each field or tract containing damaged cotton shall be entered in Part I. The Director may require that data for all fields or tracts be entered in Part I. Where there is insufficient space in Part I to record the necessary data, additional Forms 763-C shall be prepared, identified in the heading as provided above, and marked "Continuation sheet: Page of pages." All fields or tracts of the insured crop shall be accounted for in the space provided for a sketch map in Part III, unless provided otherwise by the Director.

Column A: Enter the description, location or other identification of each field or tract containing damaged cotton.

Column B: Enter the estimated total acreage of cotton in each such field or tract.

Column C: Enter the acreage of cotton which is released in each such field or tract. (If no acreage is released, enter a "zero.") Estimate this acreage as accurately as possible, except that the acreage shall be accurately determined (1) where all of the insured acreage on the insurance unit is being released, and (2) where the boundaries of the acreage being released cannot be definitely determined at a later date. Where the acreage being released is only a part of the acreage in a field or tract and the acreage being released is not accurately determined, the location of the acreage released shall be sketched in the space provided in Part III of Form 763-C.

The Adjuster shall not release any acreage planted to cotton until he determines that:

- (1) The cotton has been destroyed or substantially destroyed. (The cotton is not considered to be substantially destroyed unless it has been so badly damaged that farmers generally in the area where the farm is located and on whose farms similar damage occurred would not further care for it or harvest any part of it), and
- (2) It is too late to replant land to cotton in the area. The question of when it is too late to replant land to cotton shall be resolved by determining if producers generally in the area, particularly uninsured producers, are still planting or replanting. If this is the case and it is practicable for the insured to replant, he shall be advised that unless the acreage is replanted to cotton, it will not be considered insured acreage under the contract. The insured shall also be advised that no premium will be due and no loss will be payable on any acreage which is not insured acreage.

Where acreage of cotton is destroyed or substantially destroyed after it is too late to replant, the Adjuster shall release such acreage.

Column B: For each acreage released, enter a notation indicating the stage of production (as explained below) during which the cotton on such acreage was destroyed or substantially destroyed. This notation must be correct since it establishes the amount of insurance for the released acreage. It is therefore

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